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FISCAL IMPACT STATEMENT

LS 6877

BILL NUMBER: SB 242

NOTE PREPARED: Feb 28, 2005

BILL AMENDED: Feb 17, 2005

SUBJECT: Driving License Reinstatement Fees.

FIRST AUTHOR: Sen. Long

FIRST SPONSOR: Rep. Messer

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill permits a court to suspend, modify, or waive a driver's license reinstatement fee if: (1) the person who owes the fee is indigent; (2) the person who owes the fee has proof of future financial responsibility; and (3) suspension, modification, or waiver of the fee is appropriate in light of the person's character and the nature and circumstances surrounding the suspension of the person's license.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: This proposal could mean an annual revenue loss, the amount of which is indeterminable. The specific annual revenue loss will depend upon the number of drivers whose reinstatement fees are suspended, modified, or waived.

Background Information: The following provides an overview of the reinstatement program and the Financial Responsibility Compliance Verification Fund.

A ten-year history of reinstatements under IC 9-29-10 reveals approximately 39,000 offenders per year were required to pay either \$150, \$225, or \$300, depending on the number of suspensions. Of the fee paid for reinstatement under IC 9-29-10, \$30 of each suspension is deposited into the Motor Vehicle Highway Account (MVHA), and the remainder is deposited into the Financial Responsibility Compliance Fund. (The bill provides that in the event that the fee is modified by the court, the BMV is to retain the first \$30 that is paid, with the remaining amount deposited into the Financial Responsibility Compliance Fund.)

In addition, over the same ten-year period, there were approximately 59,500 drivers per year with suspended licenses who were assessed a \$10 reinstatement fee required under IC 9-29-13-1. This fee is deposited into the MVHA.

The Financial Responsibility Compliance Fund is used for the purpose of defraying expenses incurred by the BMV in verifying compliance with financial responsibility requirements. The MVHA is for the purpose of traffic safety and for the construction, reconstruction, improvement, maintenance, and policing of the state's highways.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles and other recipients of MVHA distributions.

Local Agencies Affected: Recipients of MVHA distributions.

Information Sources: Financial Responsibility Compliance Fund data.

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